

NEW ORLEANS ORAL SCHOOL

COMPILED FINANCIAL STATEMENTS

July 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 22 2012**

NEW ORLEANS ORAL SCHOOL

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Kushner LaGraize, LLC.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA, CIFA*
WILSON A. LaGRAIZE, JR., CPA, CIFA, CFF
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
MARY ANNE GARCIA, CPA
*A Professional Accounting Corporation

WILLIAM B. HAMILTON, CPA
KATHARINE M. LASSITER, CPA
RICHARD J. RUMNEY, CPA

Members
American Institute of CPAs
Society of Louisiana CPAs

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
New Orleans Oral School
Metairie, Louisiana

We have compiled the accompanying statement of financial position of New Orleans Oral School as of July 31, 2011, and the related statement of activities for the year ended July 31, 2011. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

A statement of cash flows for the year ended July 31, 2011, has not been presented. Accounting principles generally accepted in the United States require that such a statement be presented when financial statements purport to present financial position and results of operations.

We are not independent with respect to New Orleans Oral School.

Kushner LaGraize, LLC.

Metairie, Louisiana
October 14, 2011

NEW ORLEANS ORAL SCHOOL
STATEMENT OF FINANCIAL POSITION
July 31, 2011

ASSETS

CURRENT ASSETS

| | |
|---|--------------|
| Cash and cash equivalents | \$ 234,305 |
| Accounts receivable, less allowance for doubtful accounts | 5,336 |
| Deposits | <u>3,325</u> |

| | |
|----------------------|----------------|
| Total current assets | <u>242,966</u> |
|----------------------|----------------|

| | |
|---------------------|--------------------------|
| TOTAL ASSETS | <u>\$ 242,966</u> |
|---------------------|--------------------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------|-------------|
| Total current liabilities | \$ <u>-</u> |
|---------------------------|-------------|

NET ASSETS

| | |
|--------------|----------------|
| Unrestricted | <u>242,966</u> |
|--------------|----------------|

| | |
|------------------|----------------|
| Total net assets | <u>242,966</u> |
|------------------|----------------|

| | |
|---|--------------------------|
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 242,966</u> |
|---|--------------------------|

NEW ORLEANS ORAL SCHOOL

STATEMENT OF ACTIVITIES *For The Year Ended July 31, 2011*

REVENUES

| | |
|------------------------------|--------------|
| Tuition | \$ 72,435 |
| Before and after school care | 5,043 |
| Fundraising | 7,341 |
| Fees for services | 55,120 |
| Grants - government | 20,000 |
| Grants - private | 249,590 |
| Miscellaneous | <u>1,068</u> |

Total revenues 410,597

EXPENSES

| | |
|------------------|--------------|
| Program services | 336,765 |
| Administrative | 66,678 |
| Fundraising | <u>2,620</u> |

Total expenses 406,063

OTHER INCOME

| | |
|----------------------|----------|
| Interest income | 335 |
| Miscellaneous income | <u>5</u> |

Total other income 340

INCREASE IN UNRESTRICTED NET ASSETS 4,874

NET ASSETS – BEGINNING OF YEAR 238,092

NET ASSETS – END OF YEAR \$ 242,966

NEW ORLEANS ORAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
July 31, 2011

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements of New Orleans Oral School (the Organization). The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles.

Nature of Organization

New Orleans Oral School is an auditory-oral, early intervention program for deaf and hearing impaired children from infancy through age six located in Metairie, Louisiana. The program was founded in 2004 to provide services to families who would like for their deaf children to be able to learn, listen, and speak. The mission for the Organization is to teach children who are deaf and hard of hearing to communicate through spoken language, to understand when others talk with them, and to be fully integrated with hearing children in their home, neighborhood, and community.

The Organization offers 5 programs:

- Parent-Infant Program for hearing impaired infants and toddlers, birth through age 3. Children are seen in their family home with parents present.
- Toddler Program for hearing impaired toddlers ages 18 to 36 months. This is a full-day nursery school program with speech therapy available on the Metairie campus.
- Preschool Program for hearing impaired children ages 3 years through 6 years old. This is a full-day preschool program with speech therapy available on the Metairie campus.
- Summer Program – 3 to 4 week program offered each summer to toddlers and preschoolers.
- Outpatient Therapy Program for speech delayed and/or hearing impaired children. This is offered in the child's home, at the Metairie campus, or in the child's school.

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

NEW ORLEANS ORAL SCHOOL
NOTES TO FINANCIAL STATEMENTS-CONTINUED
July 31, 2011

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES -
Continued

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205, "Not-for-Profit Entities Revenue Recognition." Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Public Support and Revenues

Grant revenue is recognized as it is earned in accordance with the terms of the approved contracts. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor-imposed stipulations that limit the use of the donated assets. When a donor's restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributions of donated noncash assets are recorded at their estimated fair value at the date of donation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NEW ORLEANS ORAL SCHOOL
NOTES TO FINANCIAL STATEMENTS-CONTINUED
July 31, 2011

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

Accounts receivable are stated net of allowance for doubtful accounts. Accounts are written off as they are deemed uncollectible based on a periodic review by management. The Organization does not require collateral. Accounts are generally considered past due after 30 days. Bad debt allowances are calculated based on actual amounts that are over 90 days past due. At July 31, 2011, \$679 of the \$6,015 accounts receivable balance was over 90 days past due.

Donated Services

Donated services are recognized as contributions in accordance with Accounting Standards Codification (ASC) 958-605, *Not-for-profit Entities – Revenue Recognition*, if the services: (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The members of the Board of Directors serve without compensation. Other donated services received are not recorded if they are insignificant or they do not meet the criteria for recognition under ASC 958-605. The Organization has no amounts reflected in the financial statements for donated services.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Louisiana Revenue and Taxation Code Section 17.22(a). Therefore, no provision for income taxes has been included in these financial statements.

The Organization recognizes the tax benefit from uncertain tax positions only if it is "more likely than not" the tax position will be sustained on examination by the taxing authorities. To the extent the Organization's assessment of such tax positions change, the change will be recorded in the period in which the determination is made. No adjustments were required for the year ended July 31, 2011.

Fair Value of Financial Instruments

Fair value estimates, methods and assumptions for the Organization's financial instruments of cash and cash equivalents and accounts receivable are that the carrying amounts reported approximate fair value at July 31, 2011.

NEW ORLEANS ORAL SCHOOL
NOTES TO FINANCIAL STATEMENTS-CONTINUED
July 31, 2011

NOTE 2 - OFF-BALANCE SHEET RISK

At July 31, 2011, the Organization had a bank balance of \$235,993 which was covered by federal depository insurance.

NOTE 3 - RESTRICTED NET ASSETS

The Organization has no temporarily or permanently restricted net assets as of July 31, 2011.

NOTE 4 - EMPLOYEE BENEFIT PLAN

The Organization has a 401(k) Plan covering substantially all employees. Under the plan, the Organization will match up to 3% of all qualifying contributing participants' elective deferrals. The 401(k) matching contribution expense for the year ended July 31, 2011 was \$5,055.

NOTE 5 - RENTAL OF FACILITIES

The Organization leases space under a non-cancelable lease agreement which expires August 31, 2012. Rent expense totaled \$36,215 for the year ended July 31, 2011.

Future minimum lease payments are as follows for the years ending July 31:

| | | |
|------|----|---------------|
| 2012 | \$ | 39,900 |
| 2013 | | <u>3,325</u> |
| | \$ | <u>43,225</u> |

NOTE 6 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date the financial statements were available to be issued, which corresponds with the date of the Accountants' Compilation Report. No material subsequent events have occurred since July 31, 2011 that required recognition or disclosure in these financial statements.